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**Director of  
Central  
Intelligence**

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**8 December 1978**

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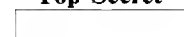
SPAIN: Transition to Democracy

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NATO: AWACS Problems Remain

*//Although the signing yesterday of a memorandum of understanding by NATO defense ministers on the Airborne Warning and Control System was intended to formalize the commitments of the member governments, the process of approving the memorandum highlighted the difficulties still to be resolved before the system can go into operation.//*

*//Several of the signatories attached statements outlining their particular concerns:*

- The Canadians limited their financial contribution.
- The Danes required approval of their contributions by the finance committee of their parliament.
- The West Germans expressed concern about the effect of inflation on funding for the system and stressed the need for careful cost control.
- The Dutch minister stipulated that the agency managing the system be located in the Netherlands, that the Dutch share of the system's financing increase only if every other member's does, and that NATO consider paying for noise abatement measures in the Netherlands.
- The Norwegians pointed out that their National Assembly still had to approve participation and that the new system could not be allowed to interfere with their policy of maintaining "low tension" in NATO's northern area.
- The Turks also want to approve the operational concept of the system in their area. In addition, they insist that an operating base for the system be located in Turkey.//

*//Belgium did not sign the memorandum of understanding, in part because the country is between governments but also because the Belgians still have a number of*

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problems with the system. They are bothered by its acquisition cost, the location of its main operating base in West Germany, and the possible location of its management agency in the Netherlands rather than in Belgium. If Belgium eventually decides not to participate, its share will have to be absorbed by the other members or the system will have to be curtailed.//

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//Greece and France, which do not participate in the military side of NATO, did not participate in the defense ministers' meeting. The Greeks have been trying to tie their role in the system to increased US military aid. The French probably will not take part in the system directly but may be interested in receiving data from it.//

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//The British some time ago decided not to take part but will operate 11 Nimrod aircraft in tandem with the 18 US-origin E-3As that will comprise the NATO system.//

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## SPAIN: Transition to Democracy

*The ratification of the new Spanish constitution on Wednesday rings down the curtain on the first phase of Spain's transition to democracy. Democratic institutions are now in place and clearly legitimized by popular mandate. Most Spanish political leaders hope that the constitution marks a point of no return, but they do not underestimate the difficulties of making democracy work. Several factors now argue for a continuation of some form of consensus politics--at least for the near term.*

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Leaders of Prime Minister Suarez' Union of the Democratic Center as well as the Socialist and Communist parties--all of whom had campaigned all out in favor of the constitution--were pleased with the overwhelming endorsement--88 percent--given by voters. The success of the referendum was marred, however, because only 68 percent of the eligible voters went to the polls.

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In most of Spain, the abstentions appear to have been due primarily to apathy resulting from the absence of lively political debate as well as disgruntlement over democracy's failure to solve Spain's problems. Rainy weather also held down the turnout.

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The Basque provinces, as usual, presented a special problem. In the two most volatile ones, the rate of abstention was over 50 percent and some 30 percent of those voting cast negative ballots. The fact that a strong majority of the Basque electorate in those two provinces abstained or rejected the constitution underlines the depth of Basque grievances against the central government and the intransigence of their demands. Spanish political leaders are beginning to wonder aloud if any solution to the problem exists.

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The immediate effect of the referendum will probably be to discourage Prime Minister Suarez from calling an early legislative election because voter apathy would probably hurt his centrist party more than those of the left. Suarez must decide within 30 days of the constitution's proclamation--reportedly scheduled around Christmas--whether to call an election or simply seek investiture.

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So far, he has kept everyone guessing, and he will probably try to leave his options open as long as possible. There are, however, strong arguments against Suarez calling an election. His chances of winning the majority he seeks--his coalition now falls 11 seats short in the lower house--seem slim, and it could well lose seats. An election campaign would disrupt the country at a time when it is imperative that the government take strong action on economic problems and terrorism. [REDACTED]

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Suarez would have little trouble winning a vote of investiture--neither Communists nor regionalists want to see him ousted--but he would be left without a stable majority. Moderate regional delegates or the Communists could give Suarez the votes he needs in parliament, but probably at too steep a price. [REDACTED]

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Suarez' third option would be to form a working arrangement with the Socialists, either for a continuation of consensus politics during an "emergency interim" or for a formal coalition. [REDACTED]

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Socialist leader Gonzalez may be amenable to such a solution. Although the Socialist rank-and-file is spoiling for an election, Gonzalez reportedly has serious reservations. For one thing, his concern about the military's willingness to accept a Socialist government has been heightened by recent evidence of military unhappiness with the present government. [REDACTED]

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Another factor pushing toward a consensus solution is the urgent need to reach agreement on a new plan to cope with Spain's pressing economic problems. The all-party agreement concluded last year expires at the end of this month as several hundred collective bargaining contracts come up for renewal. Persisting political and security tensions may leave Gonzalez with no option but to endorse a new pact. That done, the step to a coalition would be relatively small. [REDACTED]

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On balance, it seems likely that various forces will continue to drive Suarez' Centrists and the Socialists together in the near term. The need for consensus on the economy and on enabling legislation for the constitution are important considerations, but the Basque problem may be the determining factor. [REDACTED]


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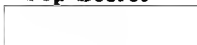
Basque terrorists are not likely to allow the government any breathing space; they will step up their efforts to prevent Madrid from reaching an accommodation with moderate Basques, a development that would isolate them from the populace. 

As the terrorists grow more desperate, they may try to draw the military into the fray. They would also continue to provoke the familiar cycle of mass demonstrations, police overreaction, and confrontations between the Basque Nationalists and the Madrid government. 

In this kind of highly charged political atmosphere, Suarez will need at least a stable majority in parliament. A pact or a coalition with the Socialists would probably be for a limited duration--perhaps until the new economic program is on track and something is done about the Basque problem--but could easily last at least a year. 

Should the government prove unable to cope with persistent terrorism while indiscipline in the security forces reaches serious proportions, military leaders would likely press the King and the Congress to replace Suarez with a more authoritarian leader. The new constitution, however, will make it more difficult for the Army to prevail without an open show of force--an option it has hitherto been most reluctant to consider. 

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NIGERIA: Political Trends

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*Disquieting political trends in Nigeria may soon test the unity of the country's military rulers and the strength of their commitment to transfer power to an elected civilian government next October. Political parties, given only three months to organize openly before applying for legal status, are developing along much the same regional lines that undermined Nigeria's civilian government in the 1960s.*

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In an effort to enhance national unity in this ethnically diverse country, Nigeria's military leaders insisted on a constitutional provision requiring political alliances to have support across ethnic and regional lines. To win the promised presidential election, a candidate will have to obtain not only a majority of votes nationwide but also at least a quarter of the votes in at least 13 of the country's 19 states.

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Three major political groupings have emerged since the formal ban on political activity was lifted on 21 September. One of these has already split into northern and southern wings, another is based primarily in the north, and the third in the south. As things stand now, the coming political contest would be a regional confrontation between a Muslim-oriented party in the north and two opposing parties that split the largely Christian south between its two large and traditionally antagonistic ethnic groups.

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It was this kind of three-way, ethnic-regional split that led to the collapse of civilian government in 1966 and the outbreak of civil war a year later.

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Despite the ominous trend, Nigeria's civilian politicians are rushing to complete the formation of their parties, select their presidential candidates, and cement the alliance necessary to meet an 18 December deadline for applying for legal status. They may yet succeed in putting together one or more alliances with at least a semblance of multiethnic support, but the prospects do not look promising.

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The military government may soon be faced with the awkward choice of either accepting the claims to national status by parties that are essentially regional or relaxing the unrealistic deadline for party registration. The second choice would jeopardize the military's timetable for holding a series of elections beginning next spring and culminating in the installation of an elected government in October.

As the political process unfolds, members of the ruling military council are themselves becoming more vulnerable to the divisive pulls of ethnic and regional loyalties. Should fissures appear in their facade of unity, a return to civilian government would become even more difficult. Serious communal violence, which could easily develop from an all-out political contest among regionally based political parties, could precipitate a breakdown in military unity.

As it assesses the dangers ahead, the military leadership could at some point decide to postpone the transfer of power. Such a decision would itself risk anti-government demonstrations and civil unrest because, despite some misgivings about what may lie ahead, Nigeria's civilian elite is eagerly anticipating the passage to civilian rule. The military regime has always been more tolerated than popular, and many Nigerians blame it for their economic hardships.

There are signs of growing dismay in Nigeria's officer corps over the country's political evolution. A coup attempt by disgruntled middle-grade officers--fearful of impending national chaos--is an ever-present possibility.

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